

Governor's Task Force on Energy Efficiency and Renewables

PUBLIC HEARING

AMENDED NOTICE

Governor Doyle's Task Force on Energy Efficiency and Renewables was created by Executive Order on September 30, 2003 to review the state's policy toward and make recommendations on energy efficiency and renewable energy use in Wisconsin. The Task Force will hold a public hearing on the following issues at the times and locations specified below:

Tuesday, June 15, 2004

9:30-11:00 a.m.	11:00 a.m.- 12:30 p.m.	1:30-2:45 p.m.	3:00-4:30 p.m.
State Capitol	Chippewa Valley Tech	UW Milwaukee	UW-Green Bay
Room 411 South	College - Gateway Campus	School of Continuing	2420 Nicolet Drive,
Madison, WI	2320 Alpine Road	Education	Room IS 1034
	Eau Claire, WI	161 W. Wisconsin	Green Bay, WI
		Ave., Ste. 7970	
		Milwaukee, WI	

Speakers at the Eau Claire, Milwaukee and Green Bay locations will address Task Force members via videoconferencing.

Revisions to the Public Benefits Program

Regarding revisions to the Public Benefits Program to ensure that the state is effectively employing energy efficiency efforts in its resource selection process.

Adoption of a New State Renewable Portfolio Standard

Regarding the development of a new renewable portfolio standard that will require state utilities to increase their percentage of energy generated from renewable sources such as wind, biomass or solar.

Revisions to the State's Energy Codes and Standards

Regarding revisions to the state's commercial and residential energy codes.

Requirement for State Facilities to Purchase Renewable Energy


Regarding a proposal to require state facilities to purchase 10% of their energy from renewable resources by 2006 and 20% by 2010.

Rural Energy Initiatives

Regarding proposals to develop a more specific role for the Department of Agriculture, Trade and Consumer Protection on rural energy initiatives.

Specific information about each of these issues from the various Task Force work groups is attached.

Please note: Speakers are encouraged to register in advance through the Governor's Energy Task Force website. There will be an opportunity to testify, and speakers are also encouraged to submit written suggestions. Pre-registered speakers will be the first to address the Task Force at each location. To register in advance, go to: <http://energytaskforce.wi.gov> and go to "Contact Us" on the bottom of any page.



Lee Cullen
Chair of the Energy Efficiency and
Renewables Task Force

Memorandum

TO: Lee Cullen, Chair of the Governor's Task Force on Energy Efficiency and Renewables

FROM: George Edgar and Kristine Euclide, Co-Chairs of the Administrative Model and Funding Working Group

DATE: June 1, 2004

RE: Status of Public Benefits Administrative Model and Funding Working Group Discussions

The Administrative Working Group has met over the past several months to discuss changes to the framework for the Public Benefits Program. The Working Group has focused on the issue of ensuring an effective Public Benefits energy efficiency effort that serves as an essential element of an overall resource policy. The overall objective is to achieve a "least cost" framework to ensure reasonably priced, reliable and adequate energy supply in a environmentally sensitive manner.

The primary issues under discussion by this Working Group are:

- (1) Ensuring funding security
- (2) Ensuring funding adequacy
- (3) Ensuring funding equity (among customers)
- (4) Better integrating Public Benefits efforts with state resource efforts, especially those which are the responsibility of the Public Service Commission of Wisconsin;
- (5) Providing an effective "overall administrator" and an efficient and effective overall administrative framework for Public Benefits efforts;
- (6) Ensuring effective and efficient program administrators with the skills and incentives to develop and oversee successful program efforts; and
- (7) Providing accountability and transparency by streamlined management, performance targets and objectives oversight and the application of Measurement & Evaluation to all efforts by an independent expert third party.

Included in the issues above are who should be the "overall administrator" and "program administrator" and what role should utilities play in Public Benefits efforts.

Memorandum

TO: Governor's Task Force on Energy Efficiency and Renewables -
Renewables Workgroup and Stakeholders

FROM: Michael Vickerman

DATE: May 28, 2004

RE: Status of Workgroup Discussions to Revise the RPS

Over the past few months, the Renewables Workgroup of the Governor's Task Force on Energy Efficiency and Renewables has been meeting to discuss proposals to create new standards for renewable energy use in the state. The status of the Workgroup's discussions is as follows:

Areas of Agreement

- One of the primary principles guiding the Renewables Workgroup is to develop a policy that spurs development of new renewable-based generation in the state that displaces fossil fuel generation in Wisconsin
- With respect to the first two items above, if the Wisconsin utility is part of an interconnected multi-state system that serves Wisconsin and other states, the policies above would apply to renewable-based generation within the footprint of the utility's multi state interconnected system, not just generation located within Wisconsin. In those circumstances the output from qualifying renewable generation can only be counted once (e.g., toward the requirements of one state).
- A new standard will require legislation. The Public Service Commission (PSC) should oversee utility compliance with a new standard; for utilities not regulated by the PSC, such as the co-ops, compliance should be enforced through civil proceedings as under the current process.
- Credits should have a 4-year life span as measured by the calendar year or be consistent with the life span of credits created under a regional trading program. The details to track this life span will need to be worked out in the rule-making process, particularly whether the life of credits will be tied to the day of creation or tracked through inventory accounting.
- Generators placed in service after Jan. 1, 2004 can be certified for credits lasting 4 years.

- Delays in reaching the new standard may arise owing to circumstances beyond a utility's control. The PSC should be given the authority to determine what constitutes a reasonable delay.
- Consistent with current procedure, utilities should report their progress toward achieving a new standard to the PSC annually. This applies to all utilities whether or not they are subject to PSC oversight.
- Purchases from Manitoba Hydro facilities with greater than 60 MW of generation capacity will not count toward this new standard.
- Existing law regarding cost recovery of renewable energy acquisition should continue through the next mandated period (i.e. renewable energy acquired to comply with the new standard may either be rate-based or sold through a green pricing program).
- Credits created under the current RPS law should expire at the end of 2011. The current RPS legislation may need to be amended to reflect this.
- The PSC's current policy combining renewable energy credits and other environmental attributes should continue.
- The definition of biomass resources under the current RPS law will need adjustment to remove the "in-state" reference.
- Resources created through earlier Wisconsin mandates should count toward a new Wisconsin standard.

Outstanding Questions

- Should utilities be subject to a flat 10% standard or should they be required to add 5% more renewable content to their current electricity mix?
- What is the appropriate end date for this new standard – 2013 or 2015?
- What are the grounds for a reasonable implementation delay? Economics? Siting? Transmission access?
- Would utility compliance under a new standard constitute fulfillment of the energy priorities law?
- If any state utilities are purchasing power from hydro facilities with greater than 60 MW generation capacity (other than Manitoba Hydro), will those purchases count as existing renewable content in a utility's resource mix?

- Resources mandated in other states should count toward a new Wisconsin standard as long as there is no double counting.
- All qualifying renewable-based generation (including hydro under 60 MW of generation capacity) that is located within a Wisconsin utility's footprint should be counted toward a new renewable standard regardless of age or type of resource, as long as that electricity replaces fossil-based electricity in Wisconsin.

Memorandum

TO: Lee Cullen, Chair of Governor's Task Force on Energy Efficiency and Renewables

FROM: Jim Boullion, Chair of the Codes and Standards Workgroup

DATE: June 1, 2004

RE: Status of Codes and Standards Workgroup Discussion

Over the past few months, the Building Codes and Standards Workgroup of the Governor's Task Force on Energy Efficiency and Renewables has been meeting to discuss proposals to revise or create new energy codes and standards policies, regulations or legislation in the state. The status of the Workgroup's discussions is as follows:

Areas of Agreement

- **Building Code Update:** The Workgroup recommends that the Governor direct the Department of Commerce to start revision of the commercial energy code, COMM chapter 63, by September 1, 2004 and submit the proposed changes to the legislature by September 1, 2006.
- **Adopt Current IECC:** The Workgroup recommends that the statutory requirement for updating commercial energy codes be revised to reference the International Energy Conservation Code (IECC) (s. 101.27 Wis. Stats.). The latest version of the IECC should be referenced for future revisions of the State Energy Code. There is continuing consideration on whether this language should also include the Uniform Dwelling Code for One- and Two-Unit Dwellings.
- **3-Year Code Cycle:** The Workgroup recommends that section 101.27 be changed to require that the State of Wisconsin adopt a 3-year cycle for reviewing the State Energy Code rather than the current 5-year cycle. This matches the update cycle of the IECC, which has major revisions every three years
- **Endorse EBCC Proposals:** The Workgroup recommends that the DOC include the three building code proposals that have been finalized by the WE Energies' Energy Building Code Collaborative in the State Energy Code update. The Workgroup asked that the EBCC include supporting cost benefit data with their final proposals:
 - *Building Envelope:* Require windows to have a winter center-of-glass U-factor of .40 or less and SHGC (solar heat gain coefficient) of .50 or less. Eliminate the ACP method of calculating energy efficiency.
 - *Lighting Power:* Eliminate s. Comm 63.1048, the area category method of calculating lighting densities, and establishing maximum lighting unit power densities using ASHRAE Standard 90.1 Tables 9.3.1.1 and 9.3.1.2;
 - *Residential Thermostats:* Prohibit the sale of thermostats in Wisconsin that contain mercury.

- **Rental Property Energy Inspections:** The Workgroup supports the creation of a pilot program that would give building owners an alternative method for meeting the requirements of s. 101.122 Wis. Stats. for the sale of rental property. This pilot program would use the Focus on Energy's Apartment and Condo Efficiency Services and Home Performance with ENERGY STAR programs for meeting this requirement rather than state-certified rental weatherization inspectors.
- **PSC Enforcement of Building Codes:** The Workgroup recommends that the Public Service Commission work with the Department of Commerce's Division of Safety and Buildings and the Department of Administration's Division of Energy to rewrite the PSC regulations regarding conversion to natural gas spaceheating or to an electric spaceheating system (ss. PSC 136.04 and 136.06, Wis. Admin. Code). This is an area that should no longer be required of utilities whose customers are eligible for Focus on Energy.
- **Energy Efficiency Recognition:** The Workgroup recommends that the Task Force adopt a recommendation for recognition of and awards for good ideas in energy efficiency and renewables.
- **Auto-Flushing Urinals:** Section 101.07 Wis. Stats. should be repealed pertaining to urinal flushing devices. This is preempted by federal standards.
- **UL "Listed" Smoke Detectors:** A minor cleanup of the statutes should be made by replacing "listed" for the word "approved" in ss. 101.145 and 101.745 Wis. Stats. regarding smoke detectors. Underwriters Laboratory lists products that it has successfully tested but it does not approve products.

Areas of On-Going Discussion

The Workgroup felt that several of the recommendations brought before them required further review and information. The Workgroup is very interested in hearing comments on these proposals from other members of the Task Force and from the public at the public hearing to be held on June 15th.

- **State Owned Buildings:** The Workgroup is considering whether the Governor should establish a policy that all state-funded new construction should be built with a goal of being 20 percent more efficient than the State Energy Code that is in place at the time of construction.
- **State Appliance Standards:** The Workgroup is considering a recommendation that the Governor and WHEDA adopt policies requiring the State to purchase only high efficiency products for certain appliances for State facilities.
- **General Appliance Standards:** The Workgroup is considering model legislation from the American Council for Energy-Efficient Economy (ACEEE) that would require minimum efficiency standards for appliances and equipment sold in Wisconsin that is not covered by federal law. The workgroup will continue to look at this and may select portions of the model legislation for recommendation.

- **Energy Efficient Building Inspectors:** The Workgroup is considering a proposal for a pilot program that would allow an alternative method of code enforcement for builders who have been building all of their homes as above-code Wisconsin ENERGY STAR Homes. The program would allow the builder to hire a private code enforcement inspector. The code enforcement inspector would be allowed to provide advice to the builder during construction as well as determine code compliance. The Department of Administration has applied to the U.S. Department of Energy for funding a pilot.
- **Ventilation Standards for Electrically Heated Homes:** The Workgroup is considering whether modifications are needed to ss. 101.63 and 101.73 Wis. Stats. which require greater insulation for electrically-heated new homes. One possibility is to apply the Wisconsin ENERGY STAR Home standard that tests for building air tightness and adequate ventilation.
- **Dark Sky's/Outdoor Lighting:** The Workgroup is interested in more information and opinions related to efficient outdoor lighting, including dark sky initiatives.

Memorandum

TO: Lee Cullen, Chair of the Governor's Task Force on Energy Efficiency and Renewables

FROM: Brian Rude, Chair of the Regulatory Initiatives Workgroup

DATE: May 26, 2004

RE: Status of Regulatory Initiatives Workgroup Discussion

Over the past few months, the Regulatory Initiatives Workgroup of the Governor's Task Force on Energy Efficiency and Renewables has been meeting to discuss short-term policy initiatives that will increase energy efficient practices and the use of renewable energy in the state. Although the Workgroup issued initial recommendations in February that were approved by the full Task Force and forwarded to the Governor, the Workgroup continues to develop a few proposals as outlined below:

Areas of On-Going Discussion

Workgroup continues to refine the legislation to increase the state's requirement to purchase renewable energy. This legislation will require the state to purchase 10% of its energy from renewable resources provided by the local utility by 2006 and 20% by 2010. The legislation was introduced at the end of the last session, and the Workgroup is refining the bill to prepare it for introduction in the next session beginning in January 2005. The legislation was introduced as companion bills, Senate Bill 554 / Assembly Bill 977, in the 2003-2004 session and can be found at:
<http://www.legis.state.wi.us/2003/data/AB-977.pdf>

Outstanding questions the workgroup has on this issue include:

- The bill currently covers only facilities owned by the state. Should the scope of the bill be expanded to include leased facilities? While this will require the state to purchase more of its energy from renewable resources, it will also result in a higher cost to the taxpayers.
- If the Congress does not extend the federal production tax credit, which makes the cost of wind and renewable resources more competitive with traditional fossil fuel resources, should the state pursue this initiative even though it will result in a higher cost to taxpayers?

The Workgroup is also reviewing initiatives that encourage the use of renewable systems and energy efficient practices in rural areas. Issues under review include: the state's policy toward ethanol production, the Dept. of Agriculture, Trade and Consumer Protection's role in rural energy issues and financing mechanisms for rural projects.

Outstanding questions the workgroup has on this issue include:

- How could the state better serve rural areas to increase energy efficient practices and the use of renewable energy systems?

Initial Recommendations

In February, this Workgroup forwarded recommendations to the full Task Force for action. The recommendations included the endorsement of legislation to: increase the state's purchases of renewable energy (see above), increase the use of energy efficient products in state-owned facilities, allow the use of hybrid electric vehicles in the state fleet, and grant a sales tax exemption to small-scale renewable systems. The Workgroup also made a fifth recommendation that the full Task Force send a letter to the Department of Natural Resources requesting consideration for the treatment of small-scale, environmentally-friendly renewable projects as rules are promulgated for the Job Creation Act, 2003 Wis. Act 118. These recommendations were accepted by the Task Force and forwarded to the Governor. With the exception of the legislation to increase the state's purchases of renewable energy, the Workgroup has concluded its work on these issues.